**CHILDREN AND FAMILY FUTURES**
STRATEGIC PLANNING AND EVALUATION

SIDNEY L. GARDNER, M.P.A.
PRESIDENT

NANCY K. YOUNG, Ph.D.
DIRECTOR

LESLIE CHERNEN, Ph.D.
LAURA ROSEN, Ph.D.
SENIOR ASSOCIATES

JORGE B. LOPEZ, M.P.A.
KAREN SHERMAN, M.S.W
BROOK WHITAKER, M.S.W.
IRIS ALFARO, M.S.W.
ASSOCIATES

VICTOR KOGLER
SENIOR CONSULTANT

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# Executive Summary

## Findings

1. Decentralization efforts now under way are more internal to agencies and inter-agency than participatory with the community—though a good deal of participative activity is under way.
2. Decentralization is more vertical—internal to each agency-- than horizontal—across agencies.
3. Even so, some regional staff feel overburdened with new collaborative roles that move beyond the vertical efforts within a single agency to interagency and community roles.
4. Resources needed for decentralization are differentially available at present, enabling decentralization to proceed more extensively in some agencies than others.
5. Significant investments in decentralization infrastructure are beginning to pay off, with major gaps in information systems remaining.
6. No details exist on decentralization costs as such.
7. LTFSS is the best example of shared outcomes, but sustainability and targeting are still in question.

## Recommendations

1. There is a need for an IOG-like forum in all regions—separate from SPAs but linked to them.
2. New decentralization staff is needed in regional offices of some agencies in order to carry out the three functions of decentralization adequately: internal, interagency, and with community groups.
3. Clarity is needed about shared outcomes that measure interagency success—the LTFSSS interagency outcomes appear to offer the best foundation for such an effort.
4. A fuller description and tracking of decentralization costs should be undertaken.
5. The prospects for supportive action from the state in achieving more flexible funding should be explored further.
6. Training and staff development for decentralization roles should be expanded.

| Major Areas of Concern | Proposed Responses |
|---|---|
| State and federal categorical funding and mandates hamper interagency links at community level | Explore state flexibility measures similar to AB 1741<br>Use most flexible funding (Prop 10, tobacco settlement, CalWORKs incentive funds) for interagency projects at community level<br>SIB should play a "barrier-busting" role in support of decentralized operations |
| Staff time burdened by three sets of demands—internal, interagency, community | Additional field staffing or readjusted responsibilities |
| Training needs | Use federal funding for interagency training efforts; expand interagency training for decentralization roles |
| Regional staff lack an interagency forum for follow-up work on SPA and interagency priorities | Create IOG counterpart at regional level as sub-group within SPA structure |
| No detail on decentralization costs | Begin tracking decentralization in agency budgets |
| Lack of shared outcomes across agencies reflecting interagency priorities | Build on LTFSS initiatives as the widest interagency effort at shared outcomes at present<br>Continue discussions in CPC and other forums on a "short list" of priorities |
| Agency information systems do not enable cross-agency identification of overlapping clients | Expand and provide regular funding for ongoing data matching |
| Agency information systems are not based on coterminous boundaries | Expand use of software that can reconcile sub-areas and report using multiple boundaries |

**Overview**

The progress made by decentralization efforts now under way in Los Angles County government is impressive, and should be set against the scale of operations in the County. While county officials and those from other IOG members tend to take the scale of the County and its communities for granted, the nature of decentralization as an attempt to move governmental functions closer to the community means that the size of the community involved is a critical feature of its context. The numbers of clients served, their extraordinary diversity of culture and need, the dollars expended, and the distances involved all represent fundamentally different scales of operation than in all but a handful of jurisdictions in the U.S.

As a result, the significant lessons of decentralization efforts in other localities do not easily lend themselves to adaptation in Los Angeles. Any generalizations must be tested against the reality of the size of governmental operations in Los Angeles County. At the same time, these issues of scale raise important questions about replicability. Projects which are begun as pilots in sub-areas of the County, while serving as important demonstrations of what is possible, face larger issues of going to scale in the County than might exist in other localities.

The creation of the IOG and its several cross-cutting initiatives, the SIB, the SPAs, and the continued functioning of the CPC represent investments of interagency time and central office support which do not exist elsewhere in county government--even recognizing the differences in scale. This foundation includes far more than the decentralization initiatives this assessment has focused upon, but it is a strong foundation for decentralization as well. There is a deeper commitment to the use of data, to working across county agencies, and to working at the level of the community than most of our interviewees have ever experienced. This commitment is at once the achievement and the challenge--because it is also substantially uncharted territory.

A number of the interviewees we spoke with agreed that with this structural base and the experience it has provided, it is now feasible and timely to build a better-integrated, second-generation approach to decentralization along all three of the dimensions of decentralization discussed in this report--internal, interagency, and agency-community.

Such a second-generation approach to decentralization would be

- more horizontal
- more outcomes-based
- more closely linked to interagency, county-wide priorities
- more flexibly funded.

*Historical and Global Context*

Decentralization efforts have a long history in the US, dating back to precinct forms of urban governance at the beginning of the 20th century, in which the political machinery and the services machinery were the same. More recent experience with "Little City Halls," notably in Boston and New York City, date from the post community action era of the early 1970's and beyond. Milton Kotler's *Neighborhood Government* in 1970 and John Mudd's 1984 book *Neighborhood Services: Making Big Cities Work* are two of the seminal works in the field.

In Los Angeles County, a Board of Supervisors policy statement on decentralization of county facilities was issued in 1953 and extended in 1962. A 1977 report on the county budget discussed the pros and cons of decentralization, including the perceived benefits and drawbacks of funding community groups as a form of decentralization.

Recently, the term decentralization has been used more frequently in connection with *budget* decentralization—giving field offices of the federal government greater discretion over their budgets and letting them "keep what they save," as one example. The term decentralization has also become widely used and debated in international organizations, as formerly centralized nations seek to instill the forms of active local government that many of their governments have lacked. Balancing authority between central and subnational governments—a debate that would be framed largely in terms of federalism in the U.S.—is increasingly the focus of international discussions of decentralized forms of governance. In these contexts, the distinctions are between administrative, fiscal, market and political decentralization.[1] Privatization is viewed as a form of market decentralization in international usage.

In recent years, the pendulum swings to and from centralization and decentralization have been affected by the growing demand for performance measures and results-based accountability. In a June 2000 workshop on *Government and Civil Service Reform: Improving Performance and Accountability Through Decentralization and Privatization Initiatives* [2]discussed sponsored by the Institute for Public-Private Partnerships, the point was made repeatedly that decentralization in a performance-based management environment must be accompanied by adequate capacity to collect indicators of performance. The discussions also stressed the added dimension of mechanisms for registering customer satisfaction.

In a review of current public administration issues, the National Academy of Public Administration noted the following examples of fundamental changes in governance structures, all of which have implications for decentralization:

- *In welfare reform*, the success of the program hinges on a complex chain from the federal government's devolution of responsibility to state

1 The World Bank report on decentralization is at http://www.ciesin.org/decentralization/English/General/Different_forms.html

2 Discussed at http://www.ip3.org/civilservice2000.htm

governments; the states' delegation of responsibility to local governments; and, frequently, local governments' contracting with for-profit and not-for-profit organizations to deliver services. Moreover, since welfare reform is really a multi-faceted linkage among job assessment, job training, placement, and family support efforts, the program hinges on tight coordination among many different programs.

- *In environmental policy*, the Environmental Protection Agency has increasingly shifted into the role of service purchaser (especially through contracts to clean up Superfund sites) and service arranger (especially through partnerships with state governments). EPA's success-and the success of environmental policy-hinges on how well EPA serves as orchestra conductor.
- *In many communities*, small-scale quasi-governments are managing everything from education to arts districts. Some governance mechanisms have become virtual, neighborhood-based, or both.[3]

A 1997 review of federal decentralization experience suggests that

> After initial implementation, decentralization often has not been sustained because of lack of oversight, the de-emphasis of prevention measures, and a failure to take quick corrective action against problems. Decentralization is a more complex process than is generally realized. It demands a more sophisticated brand of management than do centralized systems and therefore, to be successful, must be carefully planned and managed by experienced professional managers[4,5]

The charge given to Children and Family Futures was to assess the ongoing decentralization processes of the seven major agencies involved with the IOG in as much depth as time and resources permitted, to assess the effectiveness of these efforts, to compare them with relevant experience from around the nation, to assess the relationship between departmental decentralization initiatives and community planning, and to explore key issues regarding decentralization drawn from relevant literature. A ninety-day time frame was given, and background materials from each of the agencies involved in the IOG were provided. On the specific issue of community planning, while we have made some tentative conclusions, we are awaiting the findings of the IOG's survey of community planning activities, which is to be available in mid-January.

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3 Report of the Priority Issues Task Force, National Academy of Public Administration, January 2000 [at www.napawash.org]

4 Dwight Ink, "Making Agency Decentralization Work: Best Practices." Washington: National Association of Public Administration, 1997.

5 A particularly relevant resource on federal experience with decentralization is a series of hearings conducted in the mid-1990's by Rep. Stephen Horn of Long Beach, who serves as Chairman of the House Subcommittee on Government Management, Information and Technology.

*Definitions of Decentralization: Multiple Missions*

Decentralization is at risk of becoming a term like collaboration or services integration, which has multiple meanings to different audiences and is at times used so widely as to have little meaning at all. As a result, definitions were an important part of each agency discussion, with agency heads and their staff wanting clarity about the nature of our inquiry that went beyond the label "decentralization." The distinction between administrative and participatory decentralization[6] was partly helpful in meeting this need for clarity. But for some agencies, the word decentralization itself was a problem, in that it either signaled concepts which political leaders were reluctant to endorse or, in the view of some agency staff, it obscured the central purposes of decentralization, which were seen as "services integration for better outcomes," as one agency staff member put it. One agency official even said "we don't call it decentralization--that has negative connotations here."

The interviewees made a distinction, in most cases, between their agencies' decentralization efforts and the "governance changes" that are involved in widening participation in agency decision-making. The prime examples of the latter were seen to be the LAUSD district proposals and the MTA's discussions of local area governance in route selection.

While all interviewees stressed that decentralization was a means to a more important end, we heard multiple explanations of what those purposes were. Some agency staff emphasized their capacity to be more responsive to the communities and clients they served, while others talked about the effectiveness and efficiency of the services they provided within their own agency. Some stressed co-location as a mode of decentralization enabling them to work more closely with other county agencies, while others emphasized basic information exchange that happens in SPA meetings and other forums, allowing them to communicate what services they offer and to learn what services communities need.

In so diverse a setting and across agencies with hundreds of program roles, it is not surprising that multiple missions for decentralization are set forth in discussing its rationale. But at times it appeared that these different conceptions of mission were a constraint to the development of a "horizontal agenda"—the capacity of county agencies to work with each other in decentralized ways, rather than restricting decentralization efforts solely to a "vertical agenda"--those decentralization efforts taking place within a single agency. As discussed further in this report, this may be influenced by the absence of a district-level forum in which county agencies could

6 By administrative decentralization, we mean activities internal to the agency which seek to move decision-making from central offices to regional or district levels which are "closer to the community;" by participatory decentralization, we mean activities that add the ingredient of seeking wider input from and involvement of "the community" in agency operations. In both cases, defining what is meant by "the community" is also important, and is discussed below.

operate in a "sub-cabinet" structure apart from the broader functions of the SPAs and other bodies, much as the IOG itself has come to operate across agencies at the central level.

Decentralization as part of a "no wrong door" policy, while articulated as one option by some officials we interviewed, was not seen yet to be a major priority, since there are no efforts across agencies to develop the kind of common client identifier that would permit such a system to operate. There appears to be an implicit concept of "deep decentralization" that would include an effort by all agencies serving county residents to treat those clients holistically. At present, however, this kind of decentralization remains an ideal, rather than an explicit goal of policy that is measured against specific milestones of progress in systems change.

However, within single agencies with roles as massive and diverse as those in the County, a no wrong door policy applied even to one agency is still a sizable accomplishment if it means that clients can be tracked over time from one program under that agency to another with different eligibility and funding streams. To have established the links within some DPSS facilities for CalWORKS, food stamps, child support, Medi-Cal, and Healthy Families is a major achievement, and a solid sign of credible decentralization that has never existed before. "One-stops" may not yet be *county* one-stops, but if they are agency-wide one-stops, that in itself is a major change, made possible by both the use of new flexible funds to connect these programs more fully with DPSS centers and by DPSS working relationships with sister agencies.

For each agency, decentralization discussions arose and are being carried out with a significantly different substantive focus; what decentralization is *about*—what it is intended to achieve—varies from agency to agency. Predictably, in most cases that focus is primarily upon the agencies' own clients, with a lesser concern for those clients the agencies share with other agencies or refer to (or receive as referrals from) other agencies. An important exception to this is the effort to work across agencies to meet the needs of the clients of the Long-Term Family Self-Sufficiency initiative, which is discussed below.

An example of internal decentralization is the shift within DPSS field offices from tracking error rates as a measure of program quality to tracking new performance measures that are stated in terms of client outcomes, primarily as CalWORKs clients who become employed. District offices are able to compare themselves with each other on these measures. A second example given was the tracking of Medi-Cal and Healthy Families enrollments, on which all offices were tracked as the overall countywide goal was reached.

There is a potential tension between decentralization that seeks participation as its goals and decentralization that seeks better client outcomes within a single agency. The two missions overlap, they can reinforce and complement each other—but there is also tension between the

two.[7] Each takes time, each requires a different focus on the technology and assessment tools of each agency, and each approaches the "inside-outside" balance of agency functions differently. It is important to recognize that this tension exists and to assess which mission is being given the greatest emphasis in a decentralization activity, as well as whether there are actual tradeoffs among these goals in practice. Our interviews suggest that some officials believe that client outcomes should take precedence over participation, while others believe that involving the community through the SPAs and the several other community planning mechanisms should be a part of the goal-setting that would select priorities among different client outcomes.

Perhaps the most sophisticated statement of purposes of decentralization came from senior agency officials in one agency who said that decentralization was a part of their effort to get above the categorical funding their agency is still receiving and work "above the program levels" by linking with other systems and filling in the gaps in categorical coverage by responding to local needs. This agency's leadership described its funding as "open ends but narrow doors," emphasizing that this is not a seamless funding system at all and that decentralization was in large part an effort to transcend categorical funding.

*Decentralization and Mandates*

In those agencies that operate under strong legal mandates affecting their work with clients, notably Probation and DCFS, there was a perception that the agency has less discretion in working through decentralized offices. "There has to be one court form and standardized formats for dealing with the court system" was how one agency head put it. At the same time, the variability of such systems is also clear: "we are decentralized because each judge is different," said one agency policy leader. DMH staff also pointed out that some of their clients are placed in facilities throughout the county and thus require a centralized client tracking system that cannot be decentralized.

These mandates very much affect some agencies' attitudes toward decentralization vs linked interagency work at the community level. After describing a significant amount of effort in vertical forms of decentralization, one agency official said "Our requirements give us very little time or discretion to collaborate with other agencies at the local level." For some agencies, this involves mandates to work with "deep end" clients who are incarcerated or in some other special status which makes it more difficult for the agency to operate with a preventive or early intervention approach.

To summarize, because of these mandates and other factors, agency readiness and capacity to respond to the challenges of decentralization range from very active support to decentralization generally treated as "one more priority." Those factors affecting agency readiness and capacity

7 A separate paper developed for the Foundation Consortium further develops the tensions and reinforcing elements of client outcomes and citizen engagement and is available from the authors.

mentioned to us were

- Agency leadership and its identification of decentralization as a priority amid many competing priorities;
- Legal mandates that mean some agencies are forced to deal with "deep end" clients and can't work as much with preventive programs as other agencies;
- Availability of flexible funds for central office infrastructure-building;
- External conditions affecting the agency such as funding issues and managed care in DHS.

*The geography of decentralization: defining community*

Mandates also affect the geography of decentralization, by presenting constraints to the definition of what is meant by "community." For school districts, the district-wide boundaries, the regions and clusters, and the individual school attendance boundaries are the givens. For some of the cross-cutting county agency agenda items, such as the implementation of the FRCs, the lowest of these—school attendance boundaries-- is an appropriate boundary. But for other programs and agencies, their geography is in part about caseloads, historic ethnic identity, the size of field staff complements, and where district offices can be located in a tight market for office space. The lack of completely coterminous boundaries between county agencies and the SPAs remains a barrier to some interagency activities, according to our interviewees.

We found no compelling argument for any one set of boundaries, below the level of the SPAs, that could serve as a presumptive geographic definition of community or that could persuade any one agency to retreat from its own districts. If resources and trained staff were not a constraint, the lowest possible level would, of course, be ideal. But resources *are* constrained, and some agencies will find it much easier than others to out-station staff and to assign staff to cover caseloads at lower levels of the community.

There were, however, also some concerns expressed that varying the current SPA boundaries, for whatever reasons, would risk new instability in a pattern of operations and data collection that has become widely accepted and generally welcomed. While a review of SPA boundaries may be needed based on census changes, continuity in these boundaries is a value in itself, in communicating that the regionalized approach is intended to be lasting, and not a temporary reform; some officials were concerned that changing these boundaries would call the entire SPA structure into question. They pointed out that the SPA system has already proven to be sufficiently flexible to enable sub-area activities without undermining the importance of the SPAs themselves as a conceptual and operational base for decentralized efforts to integrate services at levels nearer the diverse communities of the County.

A final point on the definition of community and the issue of boundaries was underscored in one of our interviews, in which agency officials pointed out the availability of software that could convert data from one set of boundaries to others. It was suggested that wider use of such

conversion tools might enable multiple boundaries to be used without needing to force the choice of any one set of sub-SPA boundaries.

*Decentralization and Centralization: The Interdependencies*

Several interviewees spoke of the importance of strong central operations, especially in information systems, as a prerequisite to decentralized operations. "We have centralized human resources and centralized information systems which enable us to do decentralized operations in some areas," said one agency head. These agency officials saw empowering district or regional offices to participate more effectively in community engagement as depending upon training and information systems that are capable of determining what operations affect each geographic area in the county. A "no wrong door" policy for a single agency requires that the agency itself be well-integrated, which some officials felt was a definite prerequisite to a countywide referral system that operated across agencies. As noted in a study of decentralization innovation over thirty years ago, "the irony of decentralization is that you need a strong central office."[8]

An example that was cited in discussions with LAUSD staff was the importance of central office support for the organizational facilitators who are charged with the external role of finding and mobilizing external resources for the districts' learning support activities, combined with an internal role of organization and utilization of current District and school resources--as their title suggests. The role of the OFs has been conceived as linked closely to central office support, since two central office Director-level positions are charged with the responsibility of supporting the OFs, in addition to an Assistant Superintendent who coordinates at the central level several of the student support functions such as psychological and medical services. The difficult balance appears to be between relying upon district and individual schools' leadership to direct these efforts, in contrast with the capacity of the central office to negotiate larger allocations of resources with outside agencies. This is a concrete example of the value of central office reorganization and staffing assigned the role of support of new field functions.

These presumptions about the importance of centralized support for decentralization, which were implicit and explicit in the remarks of some of the interviewees, can be summarized in three phrases:

1. *Service integration depends upon funding integration*, i.e. the capacity to use resources across agency boundaries so that funding follows clients will determine whether integrated agency-level operations are possible at the community level;
2. *Service integration depends upon client information system integration*; and

8 John Mudd, Neighborhood Services: Making Big Cities Work, Yale University Press, 1984. p. 175.

3. *Services integration depends upon outcomes integration*, or shared outcomes across agencies, which must be negotiated at the top of the agencies, but may also reflect community-level priorities.

If these three presumptions are accepted, the pace of effective centralization of these functions *within* each agency may determine a great deal of the effectiveness of decentralization across agencies and with the broader community.

But the central-field interdependency flows *both* ways, as one study of decentralized agency operations boldly states:

> central administrative reforms do not automatically change the way services are delivered unless they are accompanied by a reorganization of field operations in the communities where citizens live.[9]

The quote underscores the extent to which centralizing reforms, especially in an information age when timely, accurate, and useful information is the currency of good management, demand field operations that provide data that has the potential to become such information--rather than data for its own sake. Unless the outcomes and indicators of progress specified by the LTFSS initiative, for example, are collected by field staff who see the value of such data, the reports will flow in--but the data will be suspect.

In private sector experience with decentralization, some firms have used a "balanced scorecard" approach to ensuring that field managers and central offices share goals and have agreed on the appropriate measures of financial, personnel, and customer/client objectives to be used to measure progress toward those goals. Financial measures alone are not sufficient, nor are client measures alone, since they may overlook important system changes that are critical prerequisites to improving client and community outcomes. In the balanced score card work of Kaplan and Norton, a critical dimension is the capacity of the organization for learning and growth--a feedback loop that includes both employee satisfaction and employees' capacity to perform well at their newly defined jobs.[10]

*Decentralization and Resources: Different Settings*

While the interviewees generally agreed that the current resources picture in the County was brighter than in many years, it does not follow that each agency believes its needs are being met equally—or equitably. There appeared to be a wide range of levels of satisfaction with the recent flows of grants and reimbursements, with the most pessimistic outlooks within LAUSD

9 Ibid. p. 29.

10 Robert S. Kaplan and David P. Norton. Translating Strategy into Action: The Balanced Scorecard, 1996 Harvard Business School Press. p 297-298.

and DHS. There also appeared to be a generally positive consensus among the most senior agency officials about their resources compared with prior years, which shifted to greater pessimism as our interviews focused on those officials nearer the front lines of the agencies.

The significance of this emphasis on resources for decentralization efforts lies in the comment made by several officials that it is easier to decentralize in good times than when resources are tighter. This was felt to result from at least two reasons: (1) funds are there to invest in the infrastructure—information systems, in particular—needed for decentralization, and (2) there are simply more staff available to do the work of the agency, which means more staff are available for the tasks of decentralized operations.

*Measures of Decentralization Effectiveness*

Each agency tends to evaluate its progress in achieving the goals of decentralization using the basic measures of effectiveness mandated by its own funders, state and federal government, and the courts. In answer to questions about crosscutting interagency measures of effectiveness, no agency volunteered any specific outcomes that represented *shared outcomes* across the agencies' decentralization efforts. When we asked agency staff what measures of progress they believed were being used—or could be used—to track progress in decentralization, invariably they responded with examples of indicators of their own agency's operations. For the most part, again, this underscores the extent to which decentralization is initially a primarily vertical phenomenon, rather than a horizontal one, moving a portion of the agency's resources to the field and closer to communities (as defined by that agency), but not necessarily closer links to other agencies.

This is especially true of LAUSD, in which the emphasis upon academic achievement has dominated all discussions of measurable outcomes for some time, and tracking other issues in the realm of health and human services are not widely viewed as being as important as what happens in the classroom and what is measurable on standardized tests. While the District has made an impressive allocation of resources in assigning organizational facilitators to each of the community districts, with the charge of bringing in resources that address the non-educational barriers to learning, the bottom-line measures remain academic achievement. However, central office staff have made ongoing efforts to document the effectiveness of the OFs in bringing in external resources to the District, and in some respects, this is seen as a solid measure of organizational outcomes. Central staff are also sensitive to the need to make an explicit connection between the resources spent on health and human services and the District's primary responsibility to improve academic achievement, and in their view, this would be the most important interagency data collection that could result from IOG-level decentralization efforts.

The most frequently mentioned interagency initiative, which is a partial exception to the general tendency of effectiveness measures to be vertically-oriented, was the LTFSS project. It

includes explicit interagency outcomes and indicators, divided into five broad areas, in its design, and its implementers in the different agencies are attempting to identify means of measuring these outcomes and indicators where they do not yet exist. The eight strategies and forty-six projects adopted on November 16, 2000 as a five-year plan are premised on underlying themes that include a strong emphasis upon interagency activity and strengthening communities as a means of strengthening families. The hope is that the LTFSS effort will produce such measures and deliver on the promise of the outcomes set forth in its planning documents.

*Differences in Pace and Scope of Decentralization*

One interviewee summed up the time frame of decentralization by saying "this is slow, hard work." Given the involvement of seven different agencies [DCS, DPSS, Probation, DMH, DHS, LAUSD, LACoE], it is not unexpected that the pace and scope of decentralization in each of these agencies differs, and that uniformity in decentralization efforts is non-existent. One agency described its current efforts to decentralize as being at a critical point in which many unknowns still affect an ambitious plan. On the other end of the spectrum, other agencies described their decentralization efforts as more marginal, less central parts of their overall departmental management plans. In agencies which are viewed as being more "under siege" or subject to a more crisis-oriented operating style, decentralization efforts are seen from within as less important than "simply gaining control of the place," as one interviewee put it.

A further important difference among IOG members is the fact that LAUSD is in the first months of a major decentralization of "line" services, with the operations of schools and reporting authority of staff at school sites now devolved to eleven subdistricts. This is obviously a massive decentralization initiative in itself, and has affected the District's ability to focus on external issues in the near-term future.

The involvement of the LAUSD and LACoE in the IOG's efforts to support decentralization is noteworthy for a number of reasons. First, few county-sponsored entities similar to the IOG include schools as full partners in health and human services efforts organized around the needs of children and families. Typically, they are "at the table," but not full partners with county agencies. Second, the increases in funding flows in California to both K-12 and preschool activities--including an increase in the emphasis to school readiness as a primary goal in the state's recent messages on the purposes of Proposition 10 funding--argues strongly for schools as partners in community-based efforts to improve child outcomes. Third, the geography of the county and the boundary issues created by more than eighty school districts and the complex governance of LAUSD affect decentralization in fundamental ways, and to leave LAUSD and LACoE out would simply mean they would have to be repeatedly grafted back onto decentralization efforts because they are there, operating at the most local levels of all--the schools.

*The Issue of Agency Culture*

Some of the senior officials with whom we spoke underscored the powerful force of recent history in determining the extent of serious interagency collaboration and decentralization. In the past, under a relatively weak CAO structure in which agencies often worked directly with the Board of Supervisors, agency competition was heightened by the effort to secure Board support and the absence of central coordination functions or clear, sustained priorities.

With this recent history, despite the wide recognition (discussed below) that the efforts of the CAO have sought wider collaboration among agencies, some efforts to collaborate encounter strong skepticism from agency staff who have out-lasted prior efforts and pilot projects. "Establishing a culture of collaboration" was how one senior official described the preliminary task of working though decentralization issues both within and across agency lines. In some agencies, this has required a strong "internal PR effort," as one agency head put it, to overcome the "silo mentality" that loyalty to bureaus and specific programs has created over the years. The result, this official felt, was an embracing of the broad vision of community-based work in field operations, but a continuing lack of clarity about "the nuts and bolts" of it.

*Key Decentralization Personnel*

In each agency, there are key positions that carry a major burden of the day-to-day responsibility for decentralized operations. These include probation officers out-stationed in schools, the LAUSD "organizational facilitators," attorneys from the District Attorney's office who are out-stationed in DPSS district offices to work on child support cases, LACoE's "regional leads," and those agency officials from a number of agencies who attend and participate in SPA and other interagency forums. In some of our interviews, the issue was raised as to how well the efforts of these outward-focused staff members are integrated with the leadership and the primary work of the organization.

In our interviews, it became apparent that some of these "boundary personnel" have become the most knowledgeable personnel in the County system in cross-agency activities, by virtue of their years of experience relating what they do to what their counterparts in other agencies do. These are some of the "most valuable players" in decentralization, because they have mastered not only how their own agency operates at the field level, but also the intricacies of what their clients need from other agencies as well.

The possibility of making wider efforts to build such capacity into training efforts is an obvious lesson. For many years, the federal government has developed interagency competence in large agencies such as the Department of Health and Human Services by rotating its interns through multiple assignments in different agencies; in time, decentralization progress may come to depend upon similar investments in decentralization expertise that transcends the boundaries of

any one agency. In one interview, the effort to tap more effectively into Title IV-E funding for such training was mentioned as a possible resource to explore.

A human resources policy that does not reinforce decentralization policy will result in a disconnect between the responsibilities of field personnel and their capacity--or willingness--to do their job. A 1997 assessment of federal experience with decentralization concluded that

> the most important ingredient for success is ensuring that the new structure is staffed with highly competent men and women. When the delegated operations involve new goals, different operational approaches and technical criteria, or other major changes, training is imperative.[11]

In some of the interviews, it was noted that some of the regional staff have been encouraged to work across district and SPA lines in comparing notes with each other, as a form of informal staff development. LAUSD, for example, has set aside time for its organizational facilitators to meet monthly, which is seen by central staff as having helped them understand different approaches to the OF function across districts.

Significant investments have been made in training some employees of IOG member agencies for new roles, although these appear to have been primarily within each agency and not across agencies, with some emphasis upon decentralization activities and some upon the demands of new state-mandated client information systems. Some agency officials noted their new training efforts, while others called for an expanded effort for new training in ways that emphasize interagency and multidisciplinary teams.

*Parallel Decentralization Initiatives*

In several agencies, there are multiple decentralization initiatives, including out-stationed staff, citizen advisory groups, and other ongoing efforts to decentralize either operations or participation-- or both. For example, within LAUSD there are ongoing efforts to decentralize to the new district structure, to involve community advisory councils more fully, and to reach out to tap public and nonprofit agencies' resources more effectively. In important respects, each of these is a decentralization initiative, but they are proceeding without an overall plan that integrates these separate forms of decentralization.

There are several ongoing projects in IOG agencies that represent important efforts to decentralize agency functions, some of which have substantial interagency content. Not all of these are viewed as decentralization initiatives by the agencies participating. The strongest examples of interagency content and approach in the work we reviewed from written materials and interviews were:

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11 Ink, op.cit.

- as mentioned, the Long-Term Family Self-sufficiency Initiative, which sets forth measurable outcomes that must be collected across agencies and that challenge current information systems which do not currently collect such data in a systematic way; within the LTFSS there are several sub-initiatives that have a life of their own, including the Family Resource Centers;
- the resources mapping data collection effort by DMH which includes resources from other agencies in their sub-area planning effort, in which DMH and DCFS have cooperated using the DCFS geographic information system capability;
- the MacLaren project, which has attempted to provide after-care services to youth in the juvenile justice system and to their families as well, requiring participation of several agencies, including LACoE;
- efforts to increase enrollment in Medi-Cal and Healthy Families, which have involved some agencies' field offices and school districts in outreach and enrollment efforts;
- other agencies mentioned the START initiative, the interagency efforts under SB933, the LAUSD Family Centers, LACOE's role as the regional coordinator for the Healthy Start sites in LA County, and the need to widen home visiting models to include more multidisciplinary staffing as arenas for decentralization on an interagency basis.

Another way of framing decentralization initiatives, in the view of some County staff, is to link the roughly $450 million a year coming into the County from the combination of Proposition 10 funds, tobacco settlement funding, the 1115 waiver for health services, and CalWORKs incentive and special funding. From this perspective, the question is how both interagency connections at the community level—a new level of services integration-- and community participation in the allocation and use of these funds can create greater interagency and community capacity at the same time. Efforts are being made to link these separate funding streams as an opportunity for wider decentralization, but each has its own planning requirements, timetables, and interested stakeholders, and a common set of priorities has not yet emerged.

The operations of the Services Integration Bureau were cited by a number of our interviewees as having direct relevance to the IOG agencies' decentralization efforts. One perception of its role was as the "barrier-busters" that would be charged with removing or reducing the impact of barriers encountered by decentralization initiatives, especially as agencies seek to work together across categorical barriers. One comment suggested that the SIB could prove a highly valuable enabler of decentralization to the extent that they are able to set up "backoffice funding integration" mechanisms that provide community-based staff with more flexible resources that creates generic-appearing services at the front end of the system based on integration at the administrative finance level. Another comment noted that the SIB has been discussed as a base for evaluating the effectiveness of decentralization activities over time, but without clarity at the agency staff level yet as to how this would happen or what the targets for

the assessment would be.

A final comment by one interviewee raised the question of how the IOG would monitor decentralization initiatives separate from its several task forces and work groups on specific initiatives. The concern expressed was that each initiative had taken on "a life of its own," with resources and staffing assigned to a new initiative as it emerges, with succeeding initiatives going through a similar process in a way that may obscure overall progress with decentralization as a cross-cutting goal. Whether the separate initiatives "come together coherently at any one point" was what this staff member questioned. Based on our interviews, it is not always clear to agency staff who are involved in these initiatives how they are intended to fit together.

**Barriers**

Most of the agencies described the same set of overlapping problems as recurring barriers:

--a lack of staffing resources to be able to afford to move staff to regional and sub-area locations; it was noted by some other agencies that the decreased caseloads for Probation staff which are built into the Long-term Family Self-sufficiency project could as easily be justified for other agencies if detailed work studies were undertaken;

--a concern about sharing data across agency lines due to privacy and confidentiality requirements (although not all agencies cited this as a barrier, and some cited this as being as much an issue of trust and experience with interagency arrangements as a legal barrier; the issue was felt to be more important in the institutional settings of schools, courts, hospitals, and MacLaren, arising at times in efforts to arrange aftercare for clients leaving a facility and returning to their own community);

--a lack of information systems capable of (a) sharing data about specific clients and (b) aggregating useful data about client outcomes and needs by geographic areas. Data accessibility presents special obstacles to decentralization initiatives due to its centralized nature. As LACoE staff emphasized, employees working with foster and camp children face the issues of access to client history, inaccurate data availability, and timing of document transitions. All agencies mentioned plans or ongoing initiatives to improve the quality and quantity of information about clients available to their out-stationed and field staffs; in some, but not all cases, this was tied to new resources gained in recent years which have made significant investments in central office information systems possible for the first time;

--the continuing strength of categorical funding streams as they dictate categorical, fragmented approaches to different clients who may be in more than one agency's

caseload at the same time but are treated separately due to separate eligibility definitions.

One interviewee referred to the difference between the will to decentralize and the capacity to carry it out by saying "The spirit is captured--now we need the know-how."

**Enhancing Factors**

Some, but not all agencies cited support from the CAO and the Board of Supervisors as factors that reinforced their efforts to decentralize. Agency policy leaders reported a sense that the CAO's office is supportive of decentralization efforts and "really believes in working closer with the community," as one stated his perception of the policy message. Several agency staff members saw the CAO's prior experience with decentralized county efforts as an asset.

A number of agencies cited technological developments affecting the relative ease of data collection and aggregation as reinforcing factors. Geographic information systems were mentioned by several agency staff as special examples of technical break-throughs that enhanced the work of decentralization by providing tools to map resources to needs.

Related to this is the relatively expansive budget environment of the past year, enabling investments in technology and other central office infrastructure needs that some agencies felt would not be possible in more stringent times. This, in turn, has enabled investments in data infrastructure through such innovations as the Los Angeles County Health survey, a random population-based survey of thousands of households that was initially undertaken in 1997 and updated in 1999.

In some agencies, time and continuity reinforce the goals of decentralization, in that senior staff who have been working on these issues have been working with each other for a considerable period of time--over ten years in some cases--and know how to pace efforts instead of expecting all gains to be realized within a short time frame. This continuity, experience, and gained trust over time are valuable assets in interagency work, though intangible. The practical wisdom of these county employees offers an excellent base for distilling the hands-on lessons gained through implementing decentralization, in ways that could provide much of the "curriculum" for training new recruits to the tasks of decentralization.

*Costs of Decentralization*

For the most part, little financial data has been assembled thus far on the actual costs of decentralization. There is, however, some useful cost data on the administrative improvements that have been made in GIS systems and information systems (that have been created for reasons other than decentralization but which are proving useful in its implementation).

Components of decentralization costs that were mentioned by interviewees included:

1. financial information system upgrades, especially adding data that locates the sites of spending on specific clients
2. client information system upgrades
3. resource information/community inventory upgrades
4. staff training for new roles in both central and field sites
5. time costs of wider participation in interagency meetings
6. time costs of wider participation in agency-community contacts
7. time costs of interagency exchange of information about clients and interagency case conferences

Each of these needs to be inventoried; the data are not presently available in one location, but some of it appears to be available from personnel records, while other components would need to be assembled from the cost data on the building of new management information systems. Regional budgets are still seen in most agencies as a future stage of decentralization, although some agencies have expanded the role of field staff in developing budget proposals.

The use of centralized budgets as a tool of decentralization is definitely a higher stage of decentralization. It requires consensus among central and field staff on the purposes of funding, as well as a measure of flexibility in the use of funds across diverse regions so that a "one size fits all" approach is replaced by a willingness to adjust allocations to regions' differing needs. None of the agencies we talked with appeared to have yet begun such conversations, with the exception of new grant funding from external sources.

The primary costs in school decentralization, according to a NCREL study,[12] are equipping local districts with adequate information about (1) their revenues and spending and (2) their clients to enable them to perform basic functions at the district level. Even knowing what the personnel costs are in difficult at first, as anyone knows who has asked a principal what his budget for teachers is. When such data has been heavily centralized, it is difficult to get agreements from the central information, personnel, and budget offices to move this information out to the field—especially if some variation in central policy is the advertised reason for decentralizing in the first place. Based on our interviews, however, it has proven difficult within LAUSD to gather information on decentralization costs.

The likelihood of decentralization bringing increased short-term costs is acknowledged in some of the national and international literature. Increased training, the costs of additional contact with local groups, the administrative costs of moving data out of central offices referred to above, are all offsets to the possible gains of co-location and shared office space.

A detailed budget for decentralization should be developed by each agency, using the line

12 At http://www.ncrel.org/sdrs/areas/issues/envrnmnt/go/go0dcent.htm

items mentioned above and any others that are specific to the agency.

*Time Costs*

In one aspect, however, costs were widely discussed: the issue of time costs for some officials involved in decentralization efforts. Officials in nearly all agencies commented that they found the additional burdens of both interagency and agency-community collaboration to be increasing. In some cases, staff felt that these negotiations, meetings, and interagency project reviews have expanded to a point where the officials with the greatest responsibility for decentralized operations no longer have time to do an adequate job of carrying out these new tasks and their existing jobs. They saw themselves involved in three kinds of increases in time demands: (1) the time costs of decentralization efforts within their own agencies, (2) the time costs of decentralization activities involving interagency efforts, and (3) the time costs of decentralization efforts involving meetings with community organizations and other external groups.

In other cases, officials in field and district offices are continuing to participate in interagency and agency-community collaboration, but only by accepting additional burdens of the time required, added on top of their existing supervisory responsibilities. For example, while line staff are either reimbursed or given overtime pay for evening meetings, supervisory officials are not and must attend such meetings on their own time.

Some agency staff who operate in field and regional positions, when asked how their functions under their agencies' decentralization efforts differed from their roles three or four years ago, responded "Not at all." Others, however, said that they were much more in touch with other county agencies and with community organizations through their role in the SPAs. These were the same staff who cited the growing demands on their time for the three different roles they are playing in decentralization.

What has happened in some of the agencies, according to our interviews, is that the time costs of decentralized collaboration with *external* stakeholders—other agencies and community groups--have been added to the responsibilities of administrative operations and decentralization *within* the agencies. This may result in the accretion of three jobs from one: the ongoing operations of the agency in the region/district, the new role of working with other agencies on shared clients and missions, and the new role of working with the community in all its varied organizational forms. Both forms of collaboration—interagency and agency-community—take time, and the added time demanded by collaboration is not always recognized by higher levels of the agency—or, in some cases, justified by improved outcomes.

There may be useful lessons from the education sector. In schools, in earlier versions of efforts to create interagency councils, principals at times became "diplomats," spending so much of their time negotiating with outside agencies and the community that their role as instructional leaders was felt to be compromised. In some districts, this has led to elevation of either a

teacher or a vice/assistant principal to the role of key collaborator. In the district-wide decentralization efforts of LAUSD, this has led to the innovation of an "organizational facilitator," described as the staff person with formal responsibilities to identify and secure external resources.

If decentralization and the new burden of interagency and agency-community contacts are to be taken seriously, each regionalized agency may need a similar position, charged with representing the regional/district director of the agency in day-to-day collaboration, with the senior regional official brought into negotiations at important points-- but not all points. One approach to this time squeeze would be to add staff to cover some portion of the prior and new roles of the field managers, perhaps in the form of deputies for internal operations or specialists in interagency activities. An alternative response would be to re-adjust the current demands on regional managers' time to enable them to play the facilitative, consultative roles with other agencies and community groups that are increasingly part of their jobs. In either case, it does not appear from the vantage point of these managers that they can continue this juggling act and give equal or adequate attention to the three functions.

A need for specialized staffing and training is accepted as routine for budgeting, personnel, and other key administrative functions. Our interviews suggest that it may be increasingly important to recognize that taking decentralization seriously requires such a large increase of collaboration time devoted to working with other agencies and with the community as to demand specialization and delegation of these functions to new staff, rather than simply adding these new roles to the lengthening list of responsibilities assigned to senior field-based agency officials.

*The role of the community in different agencies*

Here, as noted, the results of the survey of agencies' community planning activities will provide added data on ongoing efforts to work with a wide array of community groups. A strong model that has been given prominent attention within DHS is the use of recommendations from each SPA (in some cases these were sub-SPA areas) on ambulatory care expansion funds for 1998-99. The DMH experience with its three sub-areas also suggests a growing trend toward community input to agency planning; it was noted that some SPAs have pressed for a more rapid expansion of the sub-area approach than DMH's original 3-year timetable.

In reviewing their experience working with the SPAs, agency representatives were frank in their comments on the wide variation among them. Some were described as "dominated by a few members with pre-existent agendas," while others were described as broad-based in participation, involving a cross-section of both providers and client representatives. Some agency representatives to the SPAs reported frustration getting their agency's issues addressed, while others described the SPAS as excellent forums for disseminating information about their programs—and learning about those of other agencies and community groups as

well. In a discussion of SPAS at the November 14 IOG meeting, the plans developed by the SPAS and the outcomes areas covered in those plans were described as widely "comprehensive" but potentially "stuck in planning and process," without any clear priorities emerging from the attempt to be comprehensive. None of this is surprising in a decentralized structure as diverse as the SPAs and as wide as the array of programs and projects operated by county agencies.

The healthy dimension of such widespread participation, in the words of one long-time community leader, is that there is a recognition that "many tables" are needed to widely represent a diverse community, in contrast to heated efforts to demand that any "one table" become the single body with participation powers. But the multiplicity of community planning processes can fragment citizen energy as powerfully as the categorical system fragments agency leadership and staff. This recalls the deep frustration in the statement of a community activist in hearings on citizen participation in Washington held twenty-five years ago: "They're killing us with participation. What we need is someone in government to pay attention to us."[13]

What wasn't found:

In many assessments of organizational change, as in the famous Sherlock Holmes story about the non-barking dog, what doesn't happen may be as important as what does. Thus we add several important things that are not happening yet:

1. A consensus on the target groups for whom decentralization is intended to produce better results. As noted, each agency very much emphasizes its own clients, while mentioning the extent of overlap with other agencies. But none suggested that there were client groups that were so widely shared that they have become genuine interagency priorities for decentralized efforts. Again, a partial exception to this was the defined target group of LTFSS, which is CalWORKs and working poor families. (Even here, however, one DPSS official stressed "our major focus is clients *now* in the system.")

2. Interagency agreements on the measurable outcomes and indicators of progress across agencies that will be accepted as measures of effectiveness of the shared goals of the project.

3. Linkages across agencies-- information systems that go beyond project-specific agreements to regular, ongoing data matching and monitoring of client overlap.

4. Geographic consensus on areas and sub-areas that are priorities for interagency efforts.

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13 quoted in Mudd, op.cit. p. 35

5. An important gap that was raised in a number of the interviews was the absence of any counterpart forum to the IOG itself at the regional level. There are extensive meetings and sub-groups at the SPA and other regional levels, but no county-only body meets on a regular basis at the regional level. In some decentralization efforts such a "Neighborhood Cabinet," as it has been termed in some cities, became an important forum around which inter-agency conversations were most intense. The broader forum of the SPA and its sub-groups offers the opportunity to gather feedback from external organizations, but there is no forum at present where the county representatives to the SPAs can review county agency issues as intensively as the IOG can at a central level.

6. Plans for taking demonstration projects to scale were present in some, but not all pilot approaches. The variance in caseloads, as mentioned, is seen as non-replicable by some staff who question why a pilot project that cannot be sustained is being attempted. The coverage of the FRCs also raises some questions about whether FRCs are seen as existing "on top of" the existing system, as adjuncts to it, or a preferred location for out-stationed county staff who would gradually be assigned to such sites rather than central or even field offices. These may well be issues that lie further downstream, but some staff have raised these issues of replicability and sustainability of decentralization initiatives that are restricted to specific caseloads or geographic areas.

7. There was no reference to the role of worker bargaining units in the discussions of decentralization, which may or may not be significant. However, the history of decentralization efforts in other jurisdictions, and the active involvement of the unions representing teachers and other educational personnel in recent discussions of changes in LAUSD's links to county and nonprofit agencies, both suggest that bargaining units will eventually become involved as decentralization efforts seek to go to scale.

*The Possible Role of the State*

In one conversation, the possibility was raised of advancing decentralization and services integration by seeking special state authority to blend funding in the manner sought by AB 1741, the Youth Pilot Project, which has been used by the state and six counties to support community-based planning. A "second generation 1741" option was discussed in which the state would provide greater discretion in return for outcomes accountability tied to geographic areas.

Strong skepticism about state flexibility and willingness to support such a strategy was also voiced, and one agency head cited the growth of such efforts as the IOG, SIB, and other County innovations as the kinds of leadership that has been provided in other states by "champions of collaboration" in state government who have not been evident in California. But

emerging proposals for much closer links between CalWORKs and child welfare programs (along the lines of a nationally recognized project in El Paso County, Colorado) appear to suggest some new state-sponsored efforts to link large categorical flows of funding.

Whether presented as relief from state mandates for categorical outcomes without administrative funding to carry them out, or as a broader reliance on community input to agency planning, such an approach was felt worth exploring by some of the senior interviewees. The concept of services integration as integration of funding flows would seem to require some further assessment of this option as a critical support to decentralization. The alternative may be a continuing division between local flexible funding and discretionary resources such as Proposition 10, contrasted with less flexible state-federal categorical funding streams that may continue to undermine decentralization. If decentralization progress depends upon a move toward more horizontal forms of interagency operations under cross-cutting outcomes, the most important barrier to achieving that higher level of decentralization may be the state's own "silo outcomes," in which each state program mandates screening and assessment tools for its own clients, with accompanying data mandates that ignore the existence of all other state mandates for outcomes data.

**Our Recommendations**

Following from these findings, we offer a set of recommendations that were either mentioned during interviews as possible courses of further action or that seemed to us logical extensions from the findings. Implications of the findings that are more speculative are included in the next section.

1. There appeared to be a consensus that horizontal, inter-agency activities would be enhanced by a district-level forum in which county agencies could operate in a "sub-cabinet" structure apart from the broader functions of the SPAs and other bodies.

   This recommendation may require clarification; the proposal for a "local IOG" should not in way be seen as a recommendation for a less connected working relationship with the SPAs or any withdrawal from the SPAs to a more county-district effort; those agency representatives who have worked closely with the SPAs have described the benefits in strongly positive terms. Rather, it is recognition that the business before the SPAs is so diverse and covers so many items that the details of county follow-up on that portion of the SPA agenda which requires intergency action cannot be addressed within the confines of the SPA agenda. The nuts and bolts discussion of follow-up and adjustment of each agency's operations to fit with its partner agencies can be a very intricate and at times arcane discussion that would best be done in an interagency forum rather than taking up SPA time. But progress on these items should definitely be brought back to the SPA to ensure a full flow of information from agencies to the entire SPA.

   Any move toward a sub-area IOG should seek the same kind of working relationship the SPA and the CPC have as central bodies, and should operate as part of the overall SPA geographic structure, with appropriate ties to agency and interagency sub-area initiatives as needed .

   A final element of the rationale for the local IOG is that it is also possible that the local IOG function can provide a critical "translation function" from the daily barrier-encountering by front line personnel and the barrier-busting role envisioned for the SIB and the IOG itself. "Translating local barriers to policy action," as one interviewee noted, "is a tremendous challenge." The local IOG would be made up seasoned agency representatives who know what happens at both policy and front-line levels of their organizations, and may therefore be the best possible staff to select the barriers that most need busting from the combined perspectives of what frustrates local staff most and what is feasible in policy terms.

2. A separate study of the costs of decentralization should be undertaken, since few efforts to document the financial impact of decentralization have been made thus far.

3. The critical interagency arenas in which decentralization efforts seem most likely to be tested as to whether they can develop interagency measures of effectiveness in their short-term impact include the Long-Term Family Self-Sufficiency Task Force, the continuation of the reforms at MacLaren Children's Center, the effort to clarify the roles of the Family Resource Centers, and the ongoing roles of the LAUSD organizational facilitators. For each of these, interagency outcomes could be developed which would serve as the regular reporting benchmarks of progress in the direction of both systems change and client improvements. Those emerging from the LTFSS initiative appear to be the most advanced movement in the direction of genuinely shared outcomes across agencies that can be monitored as measures of the effectiveness of decentralization.

   This could include development and implementation of a list of system outcome measures of progress that would serve as a basis for periodically assessing progress toward decentralization, including citizen feedback, ongoing agency staff reaction through surveys on the state of interagency collaboration (using collaborative capacity tools that have been developed), and changes in information systems that enable expanded cross-agency data matching and client tracking over time. This should build on earlier data matching efforts undertaken as part of the Children's Planning Council information systems work.

   Using this set of system outcome measures, an overview of decentralization initiatives would permit monthly or quarterly summaries of agency-specific and interagency decentralization efforts--separate from the other activities of the agencies--as a means of spotlighting decentralization and services integration efforts, similar to the regular reporting of DHS on the 1115 process and the LTFSS guide to action.

4. Exploration of software innovations enabling multiple-boundary data collection and ongoing data matching both appear to be important reinforcers of the commitment to work at both SPA and sub-SPA levels.

5. Training and staff development options that give greater emphasis to the skills, attitudes, and values of decentralization should be explored further by the IOG. Funding such activities through federal training funds, as suggested by interviewees, may also be an approach that should be investigated for feasibility. This could include development of a training curriculum with content and a format that reflects what line staff in the field, as well as central office staff, believe are the

skills and knowledge they most need to perform effectively in decentralization roles

6. Structured discussions with state agency staff over a specific period of time in 2001-2002, with the goal of making a judgment about the value of pursuing greater flexibility from state agencies that would enhance Los Angles County-based decentralization and service integration efforts

## Conclusions and Implications

It would be unrealistic to suggest that in Los Angeles County decentralization should proceed from a fully deliberate, orderly template that moved sequentially from (1) administrative decentralization within agencies to (2) decentralization of efforts that cut across agencies and on to (3) participatory decentralization that engages communities in depth. These changes are happening simultaneously, and unevenly, for good reasons: the ethos of participation in so diverse a political and community culture as Los Angeles County is both irreversible and imperative--however fragmented its progress.

That is why regional officials feel so time-challenged; they cannot avoid working on all three levels at the same time. Agencies in such an environment cannot wave a yellow flag and calmly ask participatory forums to wait their turn until administrative decentralization and central office support structures have proceeded far enough to enable effective participation.

Here, it seems to us that the FRCs become a critical testing ground. If their core mission remains reaching those hardest to serve clients who are in multiple caseloads, the resources implications of that commitment must be faced, along with the unavoidable triaging it will require. The relationship of FRCs to current out-stationed staff raises further issues of whether this is just another form of decentralization or eventually the preferred form that county service delivery should take.

### *Summary*

What has been accomplished thus far is a solid beginning, with a foundation of the key ingredients that our interviewees and past experience both suggest to be critical:

- flexible central resources for data collection and commitment to building a flow of information to and from the community and regional levels
- senior leadership committed to long-term efforts rather than one-shot projects
- mid-level managers with experience working both at the community level and across agency lines
- geographic subdivisions of the county that are credible and that serve as the base for a variety of citizen engagement strategies in which agency staff are active participants

These ingredients exist in differing depth in the participating agencies, but overall their strength is adequate to support a long-term effort. The most important ingredient that has yet to emerge is a set of driving priorities that are accepted widely enough across agencies to be the basis for measurable outcomes for which agencies are held jointly accountable, and which are not restricted to measurement of single-agency efforts. A second ingredient that may prove important to sustaining a long-term effort is a continuing investment in staff development and training for decentralized management that creates new incentives for county staff to view field operations at the community level as the most vital sector of county government.

In reviewing the benefits of decentralization, a framework is provided by the three goals often used to assess public health innovations--efficiency, effectiveness, and equity.[14] It should be clear that there is very little evidence from either the literature or practical experience suggesting that efficiency in the form of lowered costs should be set forth as a short or even medium-range goal. In the short run, efficiency is the wrong reason to decentralize. In emphasizing the prerequisites to effective decentralization which can only be achieved in the central office, hopefully we have made clear that added costs are unavoidable, with added payoffs coming in the short run in wider interagency activities and wider citizen engagement. Efficiency should come eventually in the form of streamlined agency operations, but only after the up-front costs of consultation and communication and the costs of better information about clients and communities are fully paid.

On effectiveness, decentralization takes longer to have an impact, but if the effort is sustained, non-token, and targeted on shared goals, it can become a powerful signal that county government and its links to schools can and should be judged based on their impact on the clients of agencies working together.

In the short run, decentralization is most often able to demonstrate progress *toward* equity in the short run, by ending clear signals that the governing body seeks wider citizen involvement in decision-making. Obviously, that does not ensure equitable decisions or outcomes, but it opens the process to addressing issues of equity which are often submerged or missing from the public arena when governments operate in a centralized manner.

### *Decentralization Choices and Values Choices*

In our experience, some of the most important choices to be made in attempting to integrate services at the community level are ultimately values choices. As such, they must be debated at that level, even though they may have been initially framed as technical or managerial issues. "Data driving planning" is a good objective, and should not obscure the importance of values-based planning at the same time.

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14 L. Aday, et.al. (1998) *Evaluating the Healthcare System: Effectiveness, Efficiency, and Equity*. Chicago: Health Administration Press.

The recurring question in our interviews, “Decentralization for what?” can be rephrased as decentralization held accountable for what results for which customers? The foundation laid by the original CPC principles statement adopted by the Board of Supervisors in 1992 has not been fully utilized in the discussions about priority setting. It should be used, along with more recent efforts to assess county policy goals in measurable outcomes, as the two best attempts thus far to frame the choices facing a county government with vast needs among its citizens. However challenging serious discussions about values may be, it is more difficult to continue pretending that values don’t matter, that more data will make decisions simpler, and that there are enough resources to replicate all pilot projects.

It may help to review the “pyramid of need” that exists in every programmatic arena, with clients with the greatest needs at the top of the pyramid and clients with less severe problems on the broader base of the pyramid. One suggested breakout of the different groups by level of severity was "people served," "people at risk--not served but eligible," "people at risk--not served but not also not eligible," and "people not served but should be eligible (i.e., need the service and only eligibility bars them receiving it)." Using this framework, it may be possible for the IOG and the SPAs to be more explicit about the different groups they seek to target--their size among the total population, their levels of need, and the fit between interagency initiatives and the needs of these specific clients.

*The Issue of Priorities: Cautionary Comments*

In answering the recurrent question about the purposes of decentralization, in some of the discussions the implicit answer seemed to be decentralization is intended primarily to make the agency’s own programs more efficient or effective by moving them closer to the communities where they were delivered.

But the answer, as some of our interviewees pointed out, assumes that the current mix of services is the right mix—which is in part an endorsement of the status quo and the current allocation of resources. It does not directly raise either the issue of which clients should be given priority or the related issue of how well current services respond to the full range of community needs. By tacitly accepting the given mix of services, and the premise that with more resources, more of the same kinds of programs should be offered on an expanded basis, policy leaders are assuming that current programs are effective. This results in decentralization becoming an extension of current operations, rather than a new way of doing things or a way of selecting a clearer set of targets for which agencies can be held accountable.

If agencies felt confident that they were continuously assessing the effectiveness of their current programs, the assumption that current priorities are the right priorities might be justified. But we heard no disagreement with the agency head who said bluntly “We are not really collecting

outcomes data now centrally." He added, "At a recent meeting the people from our regional office had the best data on client needs."

Results-based accountability is a more popular slogan than results-based budgeting, since the latter implies re-allocation of resources from ineffective programs. One interviewee noted that providers are well-organized and have a more silo-focused orientation than most agency staff. The caveats described in the DHS experience with regional planning for ambulatory care included an important distinction between community input from residents and that from providers.[15]

In the final analysis, the question of decentralization for what is really better framed as for *which clients*? Since categorical funding answers that question with its own narrow view of client needs, decentralization demands that significant resources be brought to bear on narrow funding and outcomes mandates. To use a military analogy, if services integration at the client and community level is the intended beachhead from which resources can "go ashore and then inland," some process of flexible funding is the heavy artillery that shells the beach to make the landing easier. Without it, each categorical source reverts to its narrowest norms, and it becomes virtually impossible to develop new ways of responding to whole families or whole communities.

With some attention given to the flexible funding challenge, what targets are appropriate for interagency decentralization? The two biggest answers that emerged from our interviews and the written materials are (1) the working poor families who are the focus of LTFSS and (2) the children who are the potential enrollees in Healthy Families. A third potential target group large enough to mobilize interagency resources is those students whose academic achievement is blocked by non-educational barriers. It may be possible to develop decentralized service integration around other strategically important groups with special needs (substance-abusing parents with mental health and domestic violence problems in welfare and child welfare systems are a further option), but groups that "belong to" a single system may not command enough interagency sense of urgency or accountability to elicit more-than-token responses.

The IOG typically does not appear to devote its discussions to such client prioritization, spending much of its time instead on review of agency activities. There is no "wall chart" in IOG meetings, in the form of a figurative (although it could also be literal) chart which is a status report on progress made in client outcomes. The spotlight is on outputs, rather than outcomes, and in that sense the IOG is like most collaboratives in their early stages, in its focus on what agencies do, instead of what is happening to children and families as a result of what agencies and their partners do. That is not intended as a critical comment; it is a recognition that the norms of collaboration move first from joint agency action and then on to client

15 Jonathan E. Fielding, et.al. "Changing the Paradigm: Planning for Ambulatory Care Expansion in Los Angeles County Using a Community-based and Evidence-based Model," *Journal of Ambulatory Care Management* 2000, 23(3), 19-27.

outcomes.

Some agency officials assert that there is a consistency of outcomes between LTFSS, Proposition 10, and the original CPC principles and outcomes areas. Others expressed more skepticism, noting that outcomes and indicators are not yet being collected and reported to the IOG on a regular basis and pointing out the lack of consensus across agencies on which clients the outcomes were intended to target. Some agency officials saw the LTFSS targeted families as the clearest answer to the questions of which clients were the priorities. Others were not as confident that these clients would become targets across the IOG agencies, despite the emphasis upon multi-problem families "known to" a number of agencies.

We do not make this recommendation for more work on shared outcomes believing that it will be easy. The vast majority of funding is categorical, and there are very good reasons--both programmatic and political-- to expect that a categorical system will remain the norm in most agencies. It will be difficult to overcome the deep history and traditions of categorical funding and programs.

But it will not be impossible--and it may be imperative. Initiatives like the LTFSS, MacLaren, and school district projects linking with health and social services are premised on the counter-theory to categorical thinking: children and families need more than a categorical response to their problems and their potential. Without a sustained effort to act on that theory and to apply flexible resources to make it concrete, decentralization will revert to categorical norms, and may make it more difficult for citizens to work with multiple agencies in trying to address community-wide problems.

It may also help to undertake a review of the "theory of resources" underlying replication and the taking to scale of the major pilot projects that now make up some of the agencies' decentralization efforts.16 The effort to determine which agencies' institutionalized funding would be able to pay for taking demonstration projects to scale may leads to a serious discussion of shared outcomes, since agencies would need to make clear how "their" funds could be used for interagency priorities.

*The Future of Decentralization*

One senior agency staff member framed the question of the future of decentralization as a potential choice between "being incremental or going for a real break-through with a quantum

16 The concept of a theory of resources was developed in a 1997 paper for the Aspen Institute by Mr. Gardner, in which the central ideas are (1) the need to specify formally what institutionalized funds might be available to replace temporary project funding (eg. Healthy Start funds replaced over time by Medi-Cal reimbursements) and (2) the need to specify why a partner agency would want to do so, i.e. what outcomes for the partner with the institutionalized funds would be valuable enough to justify use of those funds.

leap ahead." Reflecting on the full range of views we sampled, our conclusion would be that this might not be the most appropriate way to frame the choice. A better set of options might be between staying the course, seeking to connect decentralization to other interagency initiatives that are receiving serious resource commitments, or to allow decentralization to fade away as just one more in a series of disconnected projects. The foundation that has been laid in the past two or three years, along with the growing cadre of mid- and senior-level officials familiar with the long haul demands of decentralization as services integration, appear to us to provide the basis for a long term effort that is sustained with a higher level of commitment than management reforms typically attract over time. Such a long-term sustained effort would definitely not be incremental in its ultimate impact on systems change.

As may be clear at this point, we do not come to this topic as neutral, detached observers. We believe in decentralization. In other cities, counties, and states, we have experienced its successes and been frustrated by its shortcomings. We believe that decentralization, linked to client-centered service integration efforts, can improve agency performance and increase citizen engagement in government and in the hard work of building better communities. Our comments about the County and the Districts' roles are based on the factual materials we were provided, the attitudes and convictions of those we interviewed, and our own underlying belief that government and citizens can and should work together more effectively than they do today, both at the front edge of the government where it is closest to its citizens and in central offices.

Decentralization, fully realized, can become the arena in which two vital ingredients are added to public life: (1) the fullest possible demonstration of what the public sector can do, playing the role only the public sector will undertake at scale—responding effectively to the needs of those who need help from the community, and (2) the fullest possible engagement of a revitalized community providing both oversight and hands-on support, as a critical supplement to what the public sector can do. The second of these could bring a new level of citizen energy and involvement of those closest to the problem—and to the solutions that can flow from their own efforts combined with a responsive public and nonprofit sector in a vital economy.

## Appendix 1: Pending Questions and Potential Areas for IOG Consideration in Further Work

Some of the questions that follow have been raised throughout this document; here we pull them together to suggest what some of the next steps need to address.

1. How clearly will the IOG and its associated central units be able to develop cross-agency priorities that can serve as a basis for assessing the effectiveness of decentralization? Should those priorities reflect specific target groups in the population, geographic areas, or cross-cutting strategies such as prevention or early intervention?

2. How can the differential strengths and needs of the SPAs be addressed with continuing, long-term support, training, leadership development, and an adequate flow of information on local needs and assets?

3. How can sub-area initiatives be launched and operated within the overall geographic structure of the SPAs but in a way that also reflects the unique needs and assets of local communities?

4. How can the shift in the IOG from a focus on outputs to an emphasis upon outcomes be accelerated within and across agencies? Specifically, can the LTFSS initiative develop an outcomes reporting system that reports on client impacts over time as well as agency action?

5. How can separate IOG-sponsored initiatives be better connected, rather than appearing to be competitive for limited agency staff time and resources?

6. How far can local efforts make progress in allowing agency staff and local areas greater discretion in the use of resources, without active involvement of the state and/or federal governments?